

OTHER NON-DEPARTMENTAL EXPENSES

	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATE	FY2004 PROPOSED	CHANGE FY2003-FY2004
General Fund Insurance	\$8,115,500	\$5,862,200	\$8,862,200	\$5,092,700	(13.1%)
Judgments and Losses	434,062	300,000	300,000	300,000	0.0%
Postage	913,962	1,221,900	1,676,400	1,271,900	4.1%
Real Estate Acq. Program	4,410,843	4,741,600	4,741,600	4,741,600	0.0%
Equipment Leases	11,067,755	8,582,500	8,582,500	6,749,100	(21.4%)
Other Leases	1,486,413	2,709,800	2,621,800	2,896,200	6.9%
Utilities	3,549,821	4,258,200	3,443,500	4,229,800	(0.7%)
Street Light Electricity	1,532,748	1,470,800	1,245,800	1,570,800	6.8%
Traffic Signal Electricity	3,298,537	4,120,000	3,588,100	4,250,000	3.2%
Miscellaneous Expenses	1,262,016	1,350,000	1,397,300	1,200,000	(11.1%)
Compensated Absences	357,029	114,000	20,000	25,000	(78.1%)
Revenue Authority Debt Pymts	1,283,028	1,280,700	1,280,800	1,279,200	(0.1%)
State Debt Assumption Pymts	1,280,835	1,279,400	1,304,500	1,303,800	1.9%
Deferred Compensation in Lieu	72,514	70,000	70,000	70,000	0.0%
Office Automation	4,908	0	0	0	0.0%
Miscellaneous Pensions	1,480	23,000	23,000	23,000	0.0%
Unemployment Insurance	254,000	200,000	200,000	200,000	0.0%
Retiree Life Insurance	688,174	900,000	900,000	900,000	0.0%
Retiree Health Insurance	15,269,000	8,034,600	8,034,600	8,834,600	10.0%
Retiree Annuities	21,120	0	0	0	0.0%
Transfer to Grant Funds	950,000	0	0	0	0.0%
Pension Contribution	0	0	7,000,000	0	0.0%
Sub-Total	\$ 56,253,745	\$ 46,518,700	\$ 55,292,100	\$ 44,937,700	(3.4%)
<i>Expenditure Recoveries</i>					
Retiree Health	(\$500,400)	(\$500,100)	(\$500,100)	(\$500,100)	0.0%
Leases/Utilities	(1,263,324)	(1,839,400)	(1,839,400)	(1,989,400)	8.2%
WSTC	(167,632)	(145,000)	(145,000)	(145,000)	0.0%
Real Estate Acq. Program	(1,103,978)	(879,200)	(879,200)	(879,200)	0.0%
Postage	(179,532)	(146,700)	(251,500)	(190,800)	30.1%
Other	(850,430)	0	0	(1,317,100)	N/A
GASB Adjustment	(3,696,929)	0	0	0	0.0%
Sub-Total	\$ (7,762,225)	\$ (3,510,400)	\$ (3,615,200)	\$ (5,021,600)	43.0%
Total	\$ 48,491,520	\$ 43,008,300	\$ 51,676,900	\$ 39,916,100	(7.2%)

PURPOSE

Non-departmental expenses includes costs essential to the operation of the County Government which do not fall within the functional assignment of any one department or agency, or which provide for expenditures related to several departments or agencies. Non-departmental recoveries represent a sum of expenditures that are offset by charges to individual Departments throughout the County.

OVERVIEW

The total proposed FY2004 Operating Budget for Other Non-Departmental Expenses is \$39,918,200, 7.2% below the net expenditures budgeted for FY2003.

EXPENSES**General Fund Insurance (Self-Insurance Fund)**

This account is managed by the Risk Management Unit in the Office of Finance and insures fire, casualty, automobile, and public losses. The Self-Insurance Fund is composed of the following governmental entities: the County, the Community College, the Library and the Board of Education. Contribution levels are based on the results of an annual actuarial study.

The total General Fund Insurance Budget is \$11.5 million. Of that amount, \$5.1 million is budgeted in Other Non-Departmental, and the remaining \$6.4 million of Worker's Compensation is allocated throughout the County Government.

Judgments and Losses

This account represents contingent small claims payouts by the County.

Postage

The postage appropriation for FY2004 reflects expenses for metered mail, permit mail and courier services. Approximately 15% of postage costs are recovered from various agencies each year. These costs are expected to remain consistent with the prior level. No rate increases are anticipated in FY2004.

Real Estate Acquisition Program (REAP)

On May 3, 1991, pursuant to the Real Estate Acquisition Program (REAP), the County financed the acquisition of two leased properties. The agreement required annual appropriations beginning in FY94 to pay annual purchase installment payments. REAP II was issued in August 1994 totaling \$21.9 million. The financing consisted of the purchase of five facilities and the relocation of over 600 employees in 10 different County agencies. The FY2004 cost of the various REAP leases payment is \$4.7 million.

Leases and Utilities

The Office of Central Services is responsible for administering these expenses in addition to maintaining the County's lease agreements for various locations. The proposed equipment lease includes payments for non-distributed leases.

Specifically, this category includes the following expenditures:

- A \$10 million equipment lease is slated for FY2004 to purchase vehicles. As such, a \$150,000 interest only payment is included in the FY2004 lease expense account.
- Utility costs reflect FY2004 projected expenditure levels for all electricity, gas, oil and propane used by the County.
- Street Lights represent electrical energy costs for street lights maintained by the County.
- Traffic Signals reflect the operational funding for traffic signals provided by the County for vehicular and pedestrian safety.

Miscellaneous Expenses

This category includes mandatory interest payments paid to taxpayers whose taxes were rebated or reduced after a final determination of an appeal. The interest is calculated at the same rate as delinquent taxes. In FY2004, expenses for the Annapolis legislative office are also budgeted here.

Retiree and Other Health Insurance

The County portion of Health Insurance costs for retired employees is funded in this category. Unlike health insurance costs for active employees, these costs cannot be easily assigned to individual departments. These costs are projected to increase over the FY2003 approved amount due primarily to higher than anticipated health insurance cost projections.

Revenue Authority Debt - Parking Projects

The County makes rental payments to the Revenue Authority in amounts sufficient to pay debt service on the Authority's revenue bonds sold for parking garage and other parking projects. Funds are provided to meet these requirements.

State Debt Assumption

The County makes payments on various County facilities that have been financed with State debt.

Deferred Compensation in Lieu of State Retirement

Several appointed employees have elected to participate in a Deferred Compensation Plan in lieu of the Maryland State Pension System. These costs are included in this category.

Miscellaneous Pensions

One teacher who retired in 1962 is eligible for a supplementary County retirement payment in the amount of \$25.00 per month. Another retiree was added to this eligibility list in FY98. Article 73B, Section 63, of the Annotated Code of Maryland requires that the County Council of Prince George's County levy and pay pensions to former judges of the People's Court or their surviving spouses. Eligibility is based on court service as provided in the aforementioned law. Additionally under State law (Estates and Trusts Article, Section 2-108), the County must pay pensions to former judges of the County's Orphans' Court.

Expenditure Recoveries (Project Charges)

This account includes a recovery from non-general funds for the use of space at the Inglewood Center and REAP II recoveries, recovery of costs from the Washington Suburban Transit Commission for mass transit activities, charges for utilities, maintenance and equipment usage payments, retiree health insurance recoveries and postage recoveries from various funds.